H-0334.1			

## HOUSE BILL 1066

State of Washington 58th Legislature 2003 Regular Session

By Representatives Campbell, Cody, Miloscia, Simpson and Hudgins Read first time 01/15/2003. Referred to Committee on Health Care.

AN ACT Relating to health facility quality assurance and patient protection; adding a new chapter to Title 70 RCW; and prescribing penalties.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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NEW SECTION. Sec. 1. The legislature finds and declares that it is in the interest of the public health and safety to assure access to quality facility-based health care services that minimizes risks to patient safety. Quality assurance includes the ability of the state to redress risks to patient safety effectively and efficiently with a rapid remediation system that operates in tandem with a broad range of remedies for correcting defective hospital health care services. The availability of a cooperative rapid remediation system in lieu of sanctions offers a prudent opportunity to address health and safety problems that minimizes risks to patient safety and avoids the delays and inconveniences of the formal sanctioning process. In addition, the availability of a selected range of sanctioning options ensures that deficient health standards are addressed in a manner that is tailored to correcting hospital health and safety problems more appropriately.

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- NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
  - (1) "Administrative action" means a formal process that either the department or a facility may use to determine the existence of a condition that is not compliant with the statutes and rules applicable to that facility and the most appropriate corrective sanctions to correct a noncompliant condition.
    - (2) "Department" means the department of health.

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- 9 (3) "Facility" means a facility or service as listed in section 3 of this act.
- 11 (4) "Informal order" means a description prepared by the department 12 that explains the procedures and methods to be used by a facility to 13 correct conditions at the facility that are not compliant with the 14 statutes and rules applicable to that facility.
- 15 (5) "Plan of correction" means a description prepared by a facility 16 and approved by the department that explains the procedures and methods 17 to be used to correct conditions at a facility that are not compliant 18 with the statutes and rules applicable to that facility.
- NEW SECTION. Sec. 3. This chapter applies only to those facilities or services specified in this section. This chapter does not apply to a facility or service not specifically cited in this section. The facilities or services covered by this section are:
  - (1) Acute care hospitals licensed under chapter 70.41 RCW;
  - (2) Psychiatric hospitals licensed under chapter 71.12 RCW; and
- 25 (3) Alcohol and chemical dependency hospitals licensed under 26 chapter 71.12 RCW.

NEW SECTION. Sec. 4. The department is authorized to survey and 27 inspect facilities as provided in the applicable statutes and rules for 28 those facilities covered under section 3 of this act to determine 29 30 compliance with the conditions of licensure. In all instances, facilities must provide to the department full and open access to all 31 32 areas of the premises and all documents and records that are related to the provision of care, the standards of licensure, or the treatment of 33 34 any patient.

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- NEW SECTION. Sec. 5. (1) A facility that fails to comply with the applicable statutes and rules for licensure must make the changes necessary to bring the facility's operation into compliance as required by the department.
- (2) The department is authorized to use the following procedures to ensure that the facility is compliant with all applicable statutes and rules for licensure:
  - (a) A plan of correction;

- (b) An informal order; or
- 10 (c) An administrative action authorized under section 6 of this 11 act.
  - (3) Failure or refusal to comply with the terms of a plan of correction or an informal order are grounds for an administrative action authorized under section 6 of this act. Where an administrative action is brought for these reasons, the department may also address other facility conditions that do not comply with the statutes and rules for licensure, including the conditions that were the basis for the plan of correction or informal order.
- 19 (4) In determining which procedure to use under subsection (2) of 20 this section, the department shall consider the speed, 21 comprehensiveness, and reliability of the remediation.
- NEW SECTION. Sec. 6. (1) An administrative action must be conducted in accordance with the requirements of an adjudicative proceeding under chapter 34.05 RCW and, as applicable, RCW 43.70.115.
  - (2) During an administrative action, the presiding officer is responsible for conducting the proceedings of an administrative action, issuing findings of fact, and entering orders as provided in chapter 34.05 RCW.
  - (3) At the conclusion of an adjudicative proceeding conducted pursuant to an administrative action where the facility is found to have been out of compliance with the applicable statutes and rules for licensure, the presiding officer may enter an order requiring corrective sanctions. In determining the appropriate corrective sanctions, the presiding officer must consider the health, safety, and welfare of the public and, where appropriate, tailor the corrective sanctions to educate and rehabilitate the facility. Corrective sanctions include one or more of the following:

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1 (a) Revocation of the license;

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- 2 (b) Suspension of the license for a fixed or conditional term;
- 3 (c) Restriction, condition, modification, or limitation of the 4 license;
  - (d) Requiring the satisfactory completion of a specific training or education program;
  - (e) Monitoring and evaluating the hospital through an independent agent approved by the department;
    - (f) Censure or reprimand;
  - (g) Payment of a fine for each violation not to exceed five thousand dollars per violation. Funds received must be placed in the department's local fee account;
- 13 (h) Requiring the satisfactory completion of a corrective action 14 and payment of all necessary costs for the remedy;
- 15 (i) Requiring the refunding of fees billed to and collected from the patient; and
- 17 (j) Reimbursement of the costs incurred by the department for the investigation of the matter and pursuing the administrative action.
  - (4) All costs necessary to comply with an order issued under this section are the obligation of the facility.
  - (5) An order may be stayed, in whole or in part, by the department if it is determined to be in the best interest of the public health.
    - (6) After a statement of charges has been issued under an administrative action, but prior to the issuance of findings of fact and an order by the presiding officer, the department and the facility may enter into an agreed order disposing of the charges. Such an agreed order must include one or more of the sanctions and specific findings of conditions that are not in compliance with the applicable statutes and rules for licensure.
- 30 <u>NEW SECTION.</u> **Sec. 7.** The department is authorized to adopt rules consistent with this chapter to carry out the purpose of this chapter.
- NEW SECTION. Sec. 8. This act may be known and cited as the health facility quality assurance and patient protection act.
- 34 <u>NEW SECTION.</u> **Sec. 9.** Sections 1 through 8 of this act constitute 35 a new chapter in Title 70 RCW.